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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

September 11, 1997

Mr. William F. Caton
Acting Secretary
Federal Communications Commission
1919 M Street, N.W., Room 222
Washington, D.C. 20554

Re: Ex Parte Filing
CC Docket No. 96-98 /
CC Docket No. 95-185

Dear Mr. Caton:

NextWave Telecom Inc.

The attached information is submitted in response to a request by Wireless Telecommunications Bureau staff for information concerning NextWave's experience in negotiating interconnection agreements under the 1996 Telecommunications Reform Act and recommendations for possible future FCC actions concerning such negotiations.

In accordance with Section 1.1206 of the Commission's rules, an original and two copies of this filing are being submitted to you today. Please direct any questions concerning this matter to me or Michael Wack at 202-347-2771.

Sincerely,

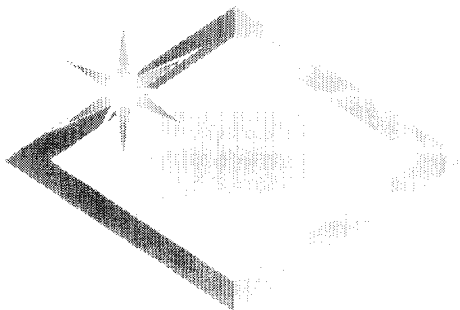
Elizabeth Rex
NextWave Telecom Inc.

Attachement

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Fax. 202.347.2822
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cc w/attach: Jeanine Poltronieri
Walter Strack
John Cimko

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NextWave Telecom Inc.

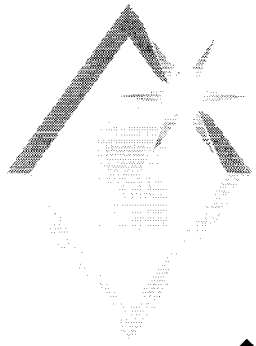
Interconnection Report to the FCC

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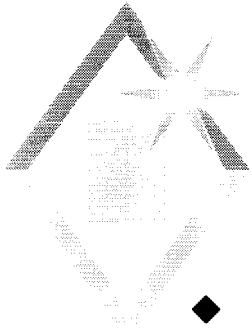
Agenda

- ◆ NextWave Network Build Plan
- ◆ Direct ILEC Interconnection
- ◆ NextWave Resource Commitment
- ◆ Key Steps of Interconnect Process
- ◆ Key Impacts of the 1996 Telecommunications Act on Negotiations with ILECs
- ◆ Key Issues & Recommendations



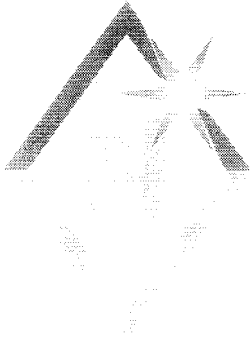
NextWave Network Build

- ◆ In April of 1997, NextWave employed nearly 400 full-time employees and almost 300 contractors
- ◆ Regional deployment teams worked on the construction of our PCS network in 14 markets throughout the country
- ◆ Over the last 16 months and after having invested nearly \$80 million in the build-out, we have completed or brought near to completion the process of network design and site acquisition in many of our key markets
- ◆ 90% of the microwave links needed to clear our spectrum for the initial launch of our markets have been cleared
- ◆ More than 1,300 cell sites have been designed, and over 300 site leases have been signed. Another 900 leases were negotiated, with over 30% ready to be fully executed



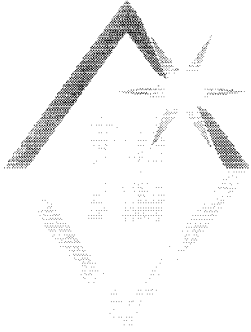
NextWave Network Build

- ◆ Three trial networks to validate equipment performance and test new innovative services have been launched in San Diego, California; Washington, D.C.; and San Antonio, Texas
- ◆ Until a few months ago, NextWave was well on its way to launching commercial PCS service in four of our markets, including Boston, San Diego, Orlando and San Antonio by late 1997
- ◆ We also anticipated turning on systems in our larger markets such as New York, Washington D.C./Baltimore, Los Angeles and Houston by early 1998. Most of our C-block markets were anticipated to be in service by the end of 1998



Direct ILEC Interconnection

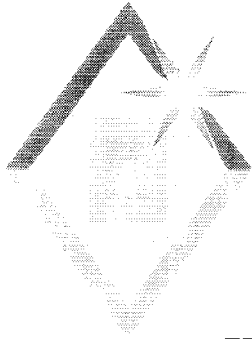
- ◆ Interconnection to the ILEC provides the only means for the exchange of traffic to and from other network providers, such as:
 - Other CMRS providers
 - CLECs
 - IXCs
 - Independent telephone companies
- ◆ Interconnection to the ILEC is the only avenue through which to purchase access to necessary subscriber databases



NextWave Resource Commitment

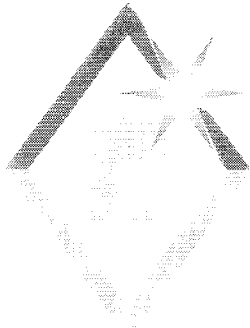
- ◆ NextWave assigned 18 experts to the Interconnect Team to:
 - Define NextWave's total requirements across the country
 - Analyze the proposed agreements
 - Negotiate with the ILECs
 - Implement the solutions

- ◆ The cross-functional team was comprised of corporate and regional representatives in the following areas:
 - Regional Representatives:
 - Sr. Management
 - Engineering
 - Finance
 - Operations



NextWave Resource Commitment

- Corporate Representatives:
 - Sr. Management
 - Engineering
 - Billing
 - Revenue Assurance
 - Regulatory/Legal
 - Business Development
 - Product Development
 - Operations
- ◆ As the negotiations progressed in each region additional experts were added or consulted as needed



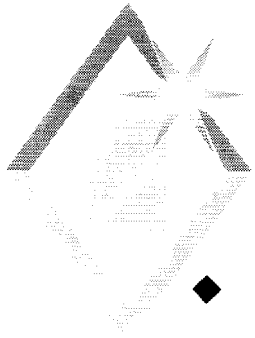
Key Steps of NextWave's Interconnect Process

- ◆ NextWave instituted a structured process to conduct interconnect negotiations with ILECs. Negotiations were delayed and complicated due to licensing delays. Key steps in the NextWave process are:
 - Identify contacts and build relationships with ILECs
 - Send required letter to initiate negotiations
 - Obtain technical and business requirements from our facility based resellers
 - Define regional and local interconnect requirements
 - Define business process issues (ie., billing, record exchange, revenue assurance, etc.)
 - Review and analyze the draft contracts from ILECs
 - Conduct cross-functional fact-finding team calls with ILECs
 - Perform internal reviews
 - Negotiate agreement and sign contract



Key Impacts of the 1996 Telecommunications Act on Negotiations with ILECs

- ◆ Recognition of CMRS providers as co-carriers facilitates negotiations
- ◆ Initial result may be a structured and more uniform (nationally) negotiating environment, an improvement over the pre-Telecom Act environment



Key Issues & Recommendations

- ◆ Key Issue: Uncertainty about legal status of Act and FCC Rules is negative dynamic in negotiations, and contributes to shorter contract durations
Recommendation: The 8th Circuit has confirmed that the FCC has exclusive jurisdiction over wireless interconnection issues. The FCC must assert that jurisdiction immediately to remove uncertainty and clarify key interconnection issues.
- ◆ Key Issue: ILECs continue to pursue monopoly hub strategy through transit charges and other restrictions
Recommendation: Immediate removal of transit charges and restrictions based on origin of traffic. Ultimately, a Bill & Keep strategy would promote competition and free exchange of traffic between networks